

A Comparative Study on Deposit Schemes of IOB and KVB

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ABSTRACT:

This study is to find the comparative difference between Indian overseas bank and Karur Vysya Bank. The Information about the deposit schemes were collected in the bank to know the difference between schemes. The tools used in the study is Simple percentage method and Chi-Square.

Key words: Deposits, Difference

OBJECTIVE:

Comparison of deposit schemes between Indian overseas bank(nationalized bank) and Karur Vysya Bank(private bank)

INTRODUCTION

In the comparison, the Indian overseas bank(nationalised bank) is the major public sector. And, Indian overseas bank is a public bank sector and it situated in Chennai, with about 3,400 domestic branches. And it founded in 10 february 1937, 82 years ago. And the another bank is (private bank) Karur Vysya Bank is an Indian 100 years completed bank and its headquartered situated in Karur and is one of the leading bank in tamilnadu, it was set up in 1916 by M.A.Venkatrama chettiar and Athi Krishna chettiar. In the Indian Overseas Bank the attractive interest rates upto 6.80% on its fixed deposits. And in the Karur Vysya Bank interest rate upto 5% for 7 to 14 days.

LITERATURE REVIEW

Kabir (2013) In the paper on “Efficiency in Deposit Management of Islamic Bank Bangladesh Ltd. and Pubali Bank Ltd. A Comparative Study have analysed the comparative efficiency of deposit management of Islamic Bank Bangladesh Ltd (Interest free) and Pubali Bank Ltd (Interest based) for the period 2006 to 2010 with respect to current deposit, time deposit, saving deposit, total deposit and various deposit ratios. They have found that there is a significant difference between the two banks in deposit management. However, the study has also shown that there is no significant difference in current deposit management and investment to deposit ratio.

Ms. N. Kalaiarasi & Ms. S. Saranyadevi (2016) Post office saving schemes play an important role in the development of economy as it offers an opportunity for the poor and people belong to rural area to invest in the various saving schemes offered by post office. The primary objective of the study is to find out the extent of satisfaction among the depositors of post office saving schemes. The present study identified that for most of the depositors, to be financially secure in future was the major factor to make investment in the saving schemes offered by post office. The study found that depositors were very much satisfied with Recurring Deposit. The study revealed that all the depositors were aware of the Savings Account, Monthly Income Scheme, Time Deposit Account, Senior Citizen Savings Scheme and Recurring Deposit Account.

Singla & Arora (2005). While comparing the performance of both Indian Bank and Canara Bank it was perceived that in the research time they considerably improved their financial performance. Canara Bank has average working funds, but has an upper hand in the terms of growth in deposit. On comparison we found that productivity of Canara Bank is much higher than Indian Bank, although productivity in the both banks has risen.

Mr. Nag and Mr. Shivaswamy (2008) studied the comparative performance of foreign and Indian banks and observed that there was a distinct preference of bank depositors to bank with foreign banks notwithstanding the fact that foreign banks stipulate relatively high levels of minimum amounts to be maintained as deposits and charge relatively high interest rates and service costs. In respect of deposit supplies, their strategy had been to procure from a segmented part of the total supplies of deposits of large size from a relatively small number of depositors. Large accretion of non-resident deposits with foreign banks was mainly because of the familiarity of the names of foreign banks operating in India to banks abroad.

Sisaw and Lawer (2015) did study on determinants of banks deposits in Ghana and concluded that in long run deposit interest inflation has negative impact on bank deposits however growth in money supply has positive impact. But in short run both inflation and growth in money supply has significant negative impact in determining banks deposits.

STATEMENT OF PROBLEMS

There were taken only 100 respondents to find the differences between the (nationalised bank) Indian Overseas Bank and (private bank) Karur Vysya Bank. The comparison of depositors, deposition is limited by 100 questionnaires, and the sample size of the study is also 100. The samples were given to Indian Overseas Bank of Varadharaja Mills branch and Karur Vysya Bank of Peelamedu branch.

OBJECTIVES

Comparison of deposit schemes between Indian Overseas Bank (nationalised bank) and Karur Vysya Bank (private bank).

METHODOLOGY

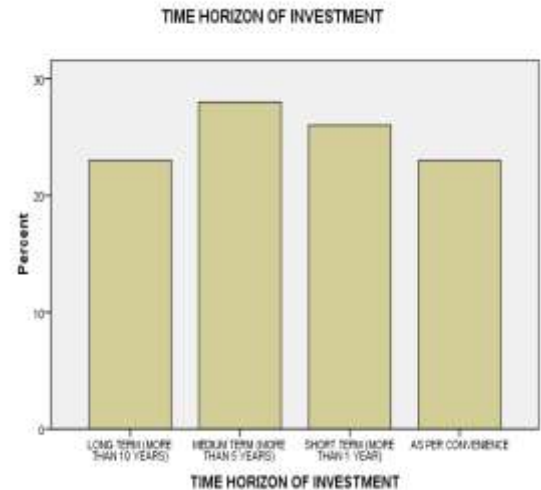
This study deals with the characteristics of a particular person. Descriptive research describes the state of affairs as it exists at present. Descriptive research includes surveys and fact-finding inquiries of different kinds. In this study, analyses to find the depositors' preferences towards nationalised bank and private bank in Coimbatore city. The sample size of this study consists of 100 depositors. The researcher used simple percentage method. The researcher used primary data and secondary data to collect the details from the respondents. The primary data was collected through a structured questionnaire. Tools were used for this, simple percentage method and chi-square method.

ANALYSIS AND FINDINGS

(I) SIMPLE PERCENTAGE ANALYSIS:

TIME HORIZON OF INVESTMENT

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid LONG TERM (MORE THAN 10 YEARS)	23	23.0	23.0	23.0
MEDIUM TERM (MORE THAN 5 YEARS)	28	28.0	28.0	51.0
SHORT TERM (MORE THAN 1 YEAR)	26	26.0	26.0	77.0
AS PER CONVENIENCE	23	23.0	23.0	100.0
Total	100	100.0	100.0	

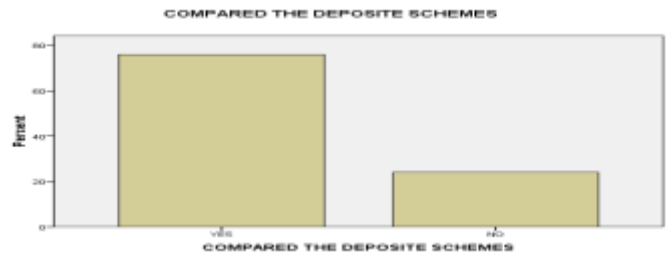


INTERPRETATION

From the above table it shows that the depositors of time horizon of investment, in that 23% of long term (more than 10 years), 28% for medium term (more than 5 years), 26% for short term (more than 1 year), 23% for as per convenience. It shows 28% of the respondent chooses the long term (more than 10 years) time horizon of investment.

COMPARED THE DEPOSITE SCHEMES

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid YES	76	76.0	76.0	76.0
NO	24	24.0	24.0	100.0
Total	100	100.0	100.0	



INTERPRETATION

From the above table it shows that 76% of respondents are compared the deposit schemes and 24% of respondents are not compared the deposit schemes of Indian Overseas Bank (nationalised bank) and Karur Vysya Bank (private bank). It shows 76% of the respondents are compared deposit schemes of IOB & KVB.

TIME HORIZON OF INVESTMENT * COMPARED THE DEPOSITE SCHEMES Crosstabulation

			COMPARED THE DEPOSITE SCHEMES		Total
			YES	NO	
TIME HORIZON OF INVESTMENT	LONG TERM (MORE THAN 10 YEARS)	Count	19	4	23
		% within TIME HORIZON OF INVESTMENT	82.6%	17.4%	100.0%
		% within COMPARED THE DEPOSITE SCHEMES	25.0%	16.7%	23.0%
	MEDIUM TERM (MORE THAN 5 YEARS)	Count	24	4	28
		% within TIME HORIZON OF INVESTMENT	85.7%	14.3%	100.0%
		% within COMPARED THE DEPOSITE SCHEMES	31.6%	16.7%	28.0%
	SHORT TERM (MORE THAN 1 YEAR)	Count	20	6	26
		% within TIME HORIZON OF INVESTMENT	76.9%	23.1%	100.0%
		% within COMPARED THE DEPOSITE SCHEMES	26.3%	25.0%	26.0%
AS PER CONVENIENCE	Count	13	10	23	
	% within TIME HORIZON OF INVESTMENT	56.5%	43.5%	100.0%	
	% within COMPARED THE DEPOSITE SCHEMES	17.1%	41.7%	23.0%	
Total	Count	76	24	100	
	% within TIME HORIZON OF INVESTMENT	76.0%	24.0%	100.0%	
	% within COMPARED THE DEPOSITE SCHEMES	100.0%	100.0%	100.0%	

CHI-SQUARE

NULL HYPOTHESIS

There is no significant association between time horizon respondent investment and respondent comparison of deposit schemes between (nationalised bank) Indian overseas bank and (private bank) Karur Vysya Bank

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.796 ^a	3	.079
Likelihood Ratio	6.413	3	.093
Linear-by-Linear Association	4.865	1	.027
N of Valid Cases	100		

There is a significant association between (nationalised bank) Indian Overseas Bank and (private bank) Karur Vysya Bank and the maximum level of time horizon of investment is from long term (more than 10years) (82.6%) and the comparison of deposit schemes both Yes and No questions are equal.

FINDINGS OF THE STUDY

- In the time horizon of investment the maximum level of investment medium term (more than 5 years) is 85.7%.
- 76% of the depositors are compared from the IOB & KVB.
- There is a significance association between (nationalised bank) Indian Overseas Bank and (private bank) Karur Vysya Bank and the maximum level of time horizon of investment is from long term (more than 10 years) (82.6%) and the comparison of deposit schemes both Yes and No questions are equal.

CONCLUSION

In the conclusion, there were taken 100 respondents to find the differences between nationalised bank and private bank deposit schemes. For this purpose, the majority level of depositors in Indian Overseas Bank and Karur Vysya Bank are taken. It is based on the time horizon of investment of the depositors and compare the level of depositors through both the banks. These depositor's details were collected from Coimbatore city. And the final conclusion from the research is that the depositors were choosing both the nationalised bank and the private bank are equal.

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